

gramme based on their perception about what kind of programme would be topical and appropriate.

[Translation]

Price Paid for Food-Grains by FCI

1160. SHRI GIRDHARI LAL BHARGAVA: Will the Minister of FOOD be pleased to state:

(a) whether there is any difference between the cost of production of the food-grains and the procurement price of the same paid by the Food Corporation of India; if so, the percentage thereof;

(b) whether there is any proposal to reduce the said difference for giving full benefit of the subsidy to the consumers; if so, the details thereof; and

(c) the time by which the proposal is likely to be implemented?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD (SHRI TARUN GOGOI): (a) The procurement/minimum support prices (MSP) of foodgrains are fixed by Government on the basis of report/recommendation of Commission for Agricultural Costs and Prices (CACP). The cost of production of foodgrains which is one of the various important factors considered by CACP in formulation of its recommendations for fixation of MSP, varies from State to State. The minimum support prices which cover not only the cost of production but also a reasonable return to the farmer are uniform throughout the country. Since the data on cost of production collected under the Comprehensive Scheme for studying the cost of cultivation of principal crops become available with a time lag, projected estimates of cost of production for some of the important States for which data are available, are considered by CACP in formulating its price policy recommendations. It is not practicable to quantify the percentage difference between the cost

of production and the minimum support prices fixed for the above reasons.

(b) The Central issue prices of foodgrains (ex-FCI godown) are kept below the economic cost of foodgrains incurred by FCI so as to make the foodgrains available to the vulnerable sections of the society at reasonable prices and subsidy is borne by Government on this account. FCI has reported that the consumer, subsidy on rice, wheat and coarsegrains in 1990-91 (R.E.) was Rs. 109.03, Rs. 104.54 and Rs. 84.15 per quintal respectively.

Since the consumer subsidy commences after payment of MSP/procurement prices to the farmers and is decided on entirely different considerations, there is no question of giving any benefit to the consumers of the difference between the cost of production of foodgrains and the procurement/minimum support price.

(c) Does not arise.

Industrial Sickness in Rajasthan

1161. SHRI GIRDHARI LAL BHARGAVA: Will the PRIME MINISTER be pleased to state:

(a) whether there is large scale industrial sickness in Rajasthan; if so, the details thereof;

(b) the main causes thereof; and

(c) the details of guidelines being issued and resources being made available by the Union Government to the State Government to overcome industrial sickness?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P. J. KURIEN): (a) Data on sick industrial units assisted by the banks in the country is being collected by the Reserve Bank of India. As per the latest information available from Reserve Bank of India, in Rajasthan State, there are 11,063 sick units in the SSI sector and 45 sick

units in the Non-SSI sector as at the end of December, 1988.

(b) A number of causes, both external and internal, are responsible for industrial sickness in the country. Among the major causes are; faulty project planning, management deficiencies, financial control, diversion of resources, inadequate attention to R & D, obsolescence of technology and machinery, poor industrial relations, change in market demand, high cost and scarcity of raw materials and other inputs and infrastructural constraints.

(c) To overcome industrial sickness, the Government of India have got a uniform policy for the whole country which is applicable to the State of Rajasthan also. Some of the important aspects are as follows:—

- (i) The Government have enacted a comprehensive legislation namely, 'The Sick Industrial Companies (Special Provisions) Act, 1985'. A quasi-judicial body designated as 'The Board for Industrial and Financial Reconstruction (BIFR)' has been set up under the Act to deal with the problems of sick industrial companies in an effective manner, which has become operational with effect from the 15th May, 1987.
- (ii) The Reserve Bank of India have issued guidelines to the banks for strengthening the monitoring systems and for arresting industrial sickness at the incipient stage so that corrective measures are taken in time.
- (iii) The banks have also been directed by the Reserve Bank of India to formulate rehabilitation packages for the revival of potentially viable units. The banks and financial institutions evolve rehabilitation packages for the revival of sick units.

(iv) Reserve Bank of India have also issued guidelines separately to the banks indicating parameters within which banks could grant reliefs and concessions for rehabilitation of potentially viable sick units without reference to RBI both in the large and small scale sectors.

(v) Government of India introduced a Margin Money Scheme with a view to supplementing the efforts of the State Governments in reducing the incidence of sickness in the small scale sector. Under the liberalised scheme the maximum amount of assistance per unit available to sick small scale units for rehabilitation has been increased from Rs. 20,000 to Rs. 50,000.

(vi) An Excise Relief Scheme for weak units has also been announced. The scheme would apply to any unit in which 50% or more of the maximum net worth in any of the previous five accounting years has been eroded by accumulated losses. The unit should have a rehabilitation, modernisation or diversification package approved by a designated financial institution. The eligible unit would be entitled to an interest free loan, with a grace period of 3 years and repayable over seven years, amounting to 50% of its actual excise payments for three years subsequent to the approval of the scheme. The total amount given by way of such 'excise loans' will not exceed 25% of the overall cost of rehabilitation / modernisation / diversification.

(vii) A Small Industries Development Bank of India (SIDBI) has been established in April 1990 to function as an Apex Bank for tiny and small scale

industries. The paid up capital of this bank is Rs. 250 crores.

[English]

Foreign Collaboration for manufacture of Washing Machines

1162. SHRIMATI GEETA MUKHERJEE: Will the PRIME MINISTER be pleased to state:

(a) the names of the washing machine manufacturers having foreign collaboration;

(b) the percentage of import content of components in the products of each of these manufacturing companies and the foreign exchange al-

lowed to each of them during 1989-90 and 1990-91;

(c) whether some more manufacturers have applied for licence for production of washing machines with foreign collaboration; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P. J. KURIEN): (a) and (b) The names of the five units manufacturing Washing Machines in the organised sector with foreign collaborations, the value of foreign exchange recommended by DGTD under the phased manufacturing programme for these units for the years 1989-90 and 1990-91 are as follows:

S. No.	Name of the party	1989-90 (In Rs.)		1990-91 (In Rs.)	
		Licence	OGL	Licence	OGL
1.	M/s. Greyshami International, New Delhi.	11.3 lakhs	Nil	3.52 lakhs	Nil
2.	M/s. Videocon Appliances Ltd., Ahmednagar	Nil	Nil	Nil	Nil
3.	M/s. T.V.S. Whirlpool Ltd., Pondicherry.	2.18 crores	Nil	Nil	52.286 lakhs
4.	M/s. IFB, Calcutta	Nil	Nil	134.16 lakhs	Nil
5.	M/s. Intron Ltd., New Delhi	Nil	Nil	159.307 lakhs	Nil

All the firms have been approved import content not exceeding 15% c.i.f. to c.i.f. in the first year which gets reduced to 0% in the 5th year.

(c) and (d) No fresh application for Industrial Licence for manufacturing Washing Machines with foreign collaboration is pending with the Government.

Availability of Essential Commodities at Kendriya Bhandar Stores

1163. SHRI RAJNATH SONKAR SHASTRI: Will the PRIME MINISTER be pleased to state:

(a) whether there is persistent shortage in the supply of essential commodities, particularly pulses and washing soaps, at the Kendriya Bhandar Stores and in some of its